

RON BENDER (SBN 143364)
BETH ANN R. YOUNG (SBN 143945)
MICHAEL G. D'ALBA (State Bar No. 264403)
LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P.
2818 La Cienega Avenue
Los Angeles, CA 90034
Telephone: (310) 229-1234
Facsimile: (310) 229-1244
Email: rb@lnbyg.com; bry@lnbyg.com; mgd@lnbyg.com

Attorneys for Life Capital Group, LLC

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re

LESLIE KLEIN,

Debtor and Debtor in Possession.

Case No. 2:23-bk-10990-NB

Chapter 11

**LIFE CAPITAL GROUP, LLC'S
STATEMENT REGARDING THE
TRUSTEE'S MOTION FOR ORDER
ENFORCING THE AUTOMATIC
STAY AND SANCTIONS [ECF 969]**

Date: April 8, 2025

Time: 2:00 pm

Place: Courtroom 1545

255 East Temple Street

Los Angeles, CA 90012

Life Capital Group, LLC ("LCG") responds to the Trustee's motion for an order enforcing the automatic stay and sanctions (the "Stay Violation Motion") [ECF 969]. LCG agrees with the Trustee that the Debtor and his attorney have violated the automatic stay and assent to the relief that the Trustee requests. However, LCG is compelled to apprise the Court of the following relevant facts omitted by both the Debtor and the Trustee:

1. Responding to the Complaint filed in the Adversary Proceeding (Adv. Case No. 2:25-ap-01020-NB) by the Trustee against LCG and others (defined in the Stay Violation Motion as

the “Life Capital Action”),¹ on March 10, 2025, LCG and others filed their Motion to Compel Arbitration before the Rabbinical Council of California (the “RCC”) (the “Arbitration Motion”) [ECF 26 in Life Capital Action], which is set for hearing on May 6, 2025.

2. Regarding the Original Klein Action, the Trustee omitted or obscures at least four material facts:

a. The Original Klein Action, which included both Klein and EKLK Foundation as plaintiffs, was ordered to arbitration under the procedures of the same Rabbinical Council of California (the “Klein Arbitration”) pursuant to the terms of the LCG Operating Agreement which mandates arbitration before the Rabbinical Council of California. (See, Arbitration Motion at Exhibits 2 and 4, at pages 69 and 84.)

b. Only after the Klein Arbitration commenced did LCG and Klein (and others) enter into the LCG Settlement. (See, Arbitration Motion, and Polter Declaration at ¶ 7.)

c. Though EKLK was named in the Original Klein Action, neither it nor Klein & Associates are parties to the LCG Operating Agreement and have no standing to assert any claims thereunder.

d. EKLK Foundation was a named Plaintiff in the Original Klein Action which was dismissed by all Plaintiffs, including EKLK Foundation, with prejudice. (See, Stay Violation Motion at Exhibit “D,” page 65; Arbitration Motion at Exhibit “5,” page 88.)

3. The Trustee erroneously contends that the value of the Estate’s interest in LCG is “currently estimated to be approximately \$15,000,000.” (See, Stay Violation Motion at page 10, line 26.) This is a red herring because it is unknown when unmatured policies will mature. In any event, the current value of the unmatured insurance policies is much less than \$15,000,000 because that estimate:

a. is stale, based on the then-remaining policy values calculated as of December 2024;

b. fails to account for the interest of the Gestetner Charitable Remainder Unitrust and

A. Gestetner Family Trust (the “Gestetners”) in the sum of \$3,650,000 from the

¹ The definitions set forth in the Stay Violation Motion are incorporated herein.

Estate's interest in LCG² (of which approximately \$2,500,000 remains due and owing to the Gestetners from the Estate's interest in LCG); and

c. does not account for any of the operating overhead and costs, including premium and financing costs associated with maintaining the unmatured insurance policies, which further reduces the value of the Estate's interest in LCG.

4. Both the EKLK and Klein & Associates actions are barred by applicable statutes of limitations and the doctrine of res judicata. In the event the Trustee's Stay Violation Motion is denied and those actions are allowed to proceed in the State Court, they will be subject to arbitration before the RCC under the terms of the LCG Operating Agreement and principles of agency. Once compelled to arbitration, the RCC will resolve these matters too.

Dated: March 27, 2025

LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P.

By: /s/ Michael G. D'Alba

RON BENDER

BETH ANN R. YOUNG

MICHAEL G. D'ALBA

Attorneys for Life Capital Group, LLC

² See, Order entered on the docket on February 13, 2025. (ECF 924)

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
2818 La Cienega Avenue, Los Angeles, California 90034

A true and correct copy of the foregoing document entitled (*specify*): **Life Capital Group, LLC's Statement Regarding The Trustee's Motion For Order Enforcing The Automatic Stay And Sanctions [Ecf 969]** be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **March 28, 2025**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Simon Aron saron@wrslawyers.com, moster@wrslawyers.com
- Reem J Bello rbello@goeforlaw.com, kmurphy@goeforlaw.com
- Ron Bender rb@lnbyg.com
- Michael Jay Berger michael.berger@bankruptcypower.com,
yathida.nipha@bankruptcypower.com;michael.berger@ecf.inforuptcy.com
- Greg P Campbell ch11ecf@aldridgepite.com, gc@ecf.inforuptcy.com;gcampbell@aldridgepite.com
- Baruch C Cohen bcc@BaruchCohenEsq.com, paralegal@baruchcohenesq.com
- Theron S Covey tcovey@raslg.com, sferry@raslg.com
- Jeffrey W Dulberg jdulberg@pszjlaw.com
- Dane W Exnowski dane.exnowski@mccalla.com, bk.ca@mccalla.com,mccallaecf@ecf.courtdrive.com
- Alan W Forsley alan.forsley@flpllp.com, awf@fklawfirm.com,awf@fl-lawyers.net,addy@flpllp.com
- Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com;goeforecf@gmail.com
- Michael I. Gottfried mgottfried@elkinskalt.com,
cavila@elkinskalt.com,lwageman@elkinskalt.com,docketing@elkinskalt.com
- Brandon J. Iskander biskander@goeforlaw.com, kmurphy@goeforlaw.com
- Michael S Kogan mkogan@koganlawfirm.com
- Marc A Lieberman marc.lieberman@flpllp.com, safa.saleem@flpllp.com,addy@flpllp.com
- John W Lucas jlucas@pszjlaw.com, ocarpio@pszjlaw.com
- Armen Manasserian armen@cym.law, jennifer@cym.law
- Ron Maroko ron.maroko@usdoj.gov
- Kirsten Martinez Kirsten.Martinez@bonialpc.com, Notices.Bonial@ecf.courtdrive.com
- Steven M Mayer smayer@mayerlawla.com
- Christopher M McDermott ch11ecf@aldridgepite.com,
CMM@ecf.inforuptcy.com;cmcdermott@aldridgepite.com
- Krikor J Meshefejian kjm@lnbyg.com
- Kenneth Miskin Kenneth.M.Miskin@usdoj.gov
- Jeffrey P Nolan jnolan@pszjlaw.com
- Eric J Olson eric@ejolsonlaw.com
- Jeffrey N Pomerantz jpomerantz@pszjlaw.com
- Brian A Procel bprocel@millerbarondess.com, rdankwa@millerbarondess.com;docket@millerbarondess.com
- Joshua L Scheer jscheer@scheerlawgroup.com, jscheer@ecf.courtdrive.com
- Mark M Sharf (TR) mark@sharflaw.com,
C188@ecfcbis.com;sharf1000@gmail.com;2180473420@filings.docketbird.com
- Bradley D. Sharp (TR) bsharp@dsi.biz
- Richard P Steelman rps@lnbyg.com, john@lnbyb.com
- Nikko Salvatore Stevens nikko@cym.law, mandi@cym.law
- Alan G Tippie Alan.Tippie@gmlaw.com,
atippie@ecf.courtdrive.com;Karen.Files@gmlaw.com,patricia.dillamar@gmlaw.com,denise.walker@gmlaw.com
- Gary Tokumori gtokumori@pmcos.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov

- Michael L Wachtell mwachtell@buchalter.com
- John P. Ward jward@attleseystorm.com, ezhang@attleseystorm.com
- Brett J. Wasserman wasserman@smcounsel.com
- Alex M Weingarten aweingarten@willkie.com, lcarter@willkie.com
- Clarisse Young youngshumaker@smcounsel.com, levern@smcounsel.com
- Paul P Young paul@cym.law, jaclyn@cym.law
- Roye Zur rzur@elkinskalt.com,
cavila@elkinskalt.com;lwageman@elkinskalt.com;1648609420@filings.docketbird.com

2. SERVED BY UNITED STATES MAIL: On (date) **March 28, 2025**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

None.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **March 28, 2025**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

March 28, 2025
Date

Jason Klassi
Printed Name

/s/ Jason Klassi
Signature

Via email:

Ron Maroko
915 Wilshire Blvd., Ste 1850
Los Angeles, CA 90017
213-894-4520
Fax : 213-894-2603
Email: ron.maroko@usdoj.gov

Attorneys for Chapter 11 Trustee
Jeffrey W. Dulberg
John Lucas
Jeffrey P. Nolan
Pachulski Stang Ziehl & Jones LLP

E-mail: jdulberg@pszjlaw.com
jlucas@pszjlaw.com
jnolan@pszjlaw.com

Bradley D. Sharp, Chapter 11 Trustee
bsharp@dsi.biz

Eric J Olson: eric@ejolsonlaw.com

Leslie Klein: les.kleinlaw@gmail.com;
leskleinlaw@gmail.com;
kleinlaw@earthlink.net

Daniel A. Crawford, Esq.
Crawford Law Group
Email: dac@crawfordlawgroup.com

Nathan Talei
Oldman, Sallus & Gold, L.L.P.
E-mail address: info@osglegal.com